

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 558 - SB 661

February 24, 2013

**SUMMARY OF BILL:** Prohibits an industrial development corporation (IDC), organized by a municipality that does not impose a property tax, from negotiating or entering into any payment in lieu of tax (PILOT) agreement or lease that affects the payment of property taxes to any county, city, or other taxing entity.

**ESTIMATED FISCAL IMPACT:**

**Other Fiscal Impact – An unknown recurring increase in local government revenue. There will be no fiscal impact to the state.**

Assumptions:

- According to the Department of Revenue, this bill will not fiscally impact the Department.
- According to the Department of Economic and Community Development, this bill will not fiscally impact the Department.
- The fiscal impact of this bill is dependent upon several unknown factors, including but not limited to, the number of municipalities not imposing property taxes that will organize IDCs in the future under current law, the number of IDC's that currently participate in PILOT agreements, and the extent of county property tax revenue that will be affected. As a result, determining a precise fiscal impact is difficult. However, a prohibition against PILOT agreements that affect the payment of property taxes is reasonably assumed to cause an unknown recurring increase in property tax revenue to local governments.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise".

Lucian D. Geise, Executive Director

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